

Worcester Polytechnic Institute Digital WPI

Interactive Qualifying Projects (All Years)

Interactive Qualifying Projects

December 2016

The 59store in the United States: A Feasibility Study

Carlos A. Carle

Worcester Polytechnic Institute

Courtney Jean Lewis

Worcester Polytechnic Institute

Nicholas C. Hollan

Worcester Polytechnic Institute

Sophia A. Gudenrath

Worcester Polytechnic Institute

Follow this and additional works at: <https://digitalcommons.wpi.edu/iqp-all>

Repository Citation

Carle, C. A., Lewis, C. J., Hollan, N. C., & Gudenrath, S. A. (2016). *The 59store in the United States: A Feasibility Study*. Retrieved from <https://digitalcommons.wpi.edu/iqp-all/1169>

This Unrestricted is brought to you for free and open access by the Interactive Qualifying Projects at Digital WPI. It has been accepted for inclusion in Interactive Qualifying Projects (All Years) by an authorized administrator of Digital WPI. For more information, please contact digitalwpi@wpi.edu.

The 59store in the United States: A Feasibility Study

An Interactive Qualifying Project Submitted to the Faculty of
WORCESTER POLYTECHNIC INSTITUTE
in partial fulfillment of the requirements for the Degree of Bachelors of Science

Sponsored by:
Cao Lifa (曹李发), Partner
The 59store

Project Co-Advisor: Stephan Sturm
Project Co-Advisor: Gary Pollice

Submitted by:
Carlos Carle
Sophia Gudenrath
Nicholas Hollan
Courtney Lewis

Date Submitted: December 15, 2016

This report represents the work of four WPI undergraduate students submitted to the faculty as evidence of completion of a degree requirement. WPI routinely publishes these reports on its web site without editorial or peer review.

Abstract

The 59store is an online to offline company in China that strives to provide convenience services and teach entrepreneurial skills to university students. The co-founder of the 59store is our sponsor, Cao Lifa, and his goal is to expand the 59store to the United States. To assist him, we determine the snacking needs and entrepreneurial experience of students in the United States; also, we evaluate legal regulations on campuses in the United States. Although students in the United States show an interest in services similar to those offered by the 59store, legal regulations at universities restrict the 59store's ability to operate on most campuses. We conclude by recommending changes to the 59store's current business model for a better chance of success in the United States.

Acknowledgements

Without the help of several individuals, we would not have been able to succeed. We would like to thank some of the people who helped us during the time we spent in China and the United States working on our project.

First, we would like to thank our sponsor, Cao Lifa, and the rest of the 59store for their support and continuous supply of information throughout our project. We would also like to thank Cao Lifa for taking an interest in the IQP process and sponsoring our project. We appreciate the 59store for being so accommodating during our stay in China. We would also like to thank our advisors, Professors Gary Pollice and Stephan Sturm, for their constant guidance and feedback throughout every step of our project. In addition, we would like to thank Professor Amy Zhang for all her help while we were writing our proposal.

We are also very appreciative of Professor Jennifer Rudolph and WPI's Interdisciplinary and Global Studies Department's (IGSD) staff for setting up and coordinating our stay in Hangzhou, and Professor Yunhong Shen and the Hangzhou Dianzi University's (HDU) School of Management for hosting us during the seven weeks we were in China. We would also like to give special thanks to our buddies, Anabelle, Scott, Wency, and Yessenia, for their help translating and for being such welcoming friends in China. We are also thankful for the many other HDU students who were so friendly to us.

We would like to thank all of the people who helped us with research and data collection. Thank you to the librarians at WPI for helping us gather relevant background research from trusted sources. Thank you to all of the people we interviewed, from university employees and representatives to the 59store employees. Thank you to the students who participated in our focus group, and to the many students who responded to our survey. We would also like to thank all of our IQP classmates, for their support and company.

Executive Summary

The 59store is an online to offline (o2o) company in China that provides convenience services for university students. The company's mission is to teach students about finance and entrepreneurship, to improve student quality of life, and to change the thinking about traditional commodities on campuses such as snacks and printers. Currently in China, the 59store has over five million college students registered to use their services; however, the company's goal is to expand globally.

Project Goals and Objectives

In order to help the 59store reach a larger market, this project examines the 59store's feasibility of expansion to the United States. We achieve this goal by completing the following objectives:

1. Understand the current operations of the 59store in China.
2. Evaluate the legal barriers involved with running a business on a college campus in the United States.
3. Determine the needs and lifestyles of students in the United States.
4. Evaluate off-campus housing options in the United States, as a potential target market for the 59store.

By combining and analyzing data collected from interviews, surveys, and focus groups, we achieve these objectives and determine the feasibility of the 59store's plan of expansion. We then recommend changes to the 59store's original business model to increase the 59store's chance of expansion to the United States.

Results and Analysis

A market exists for a late night snacking service on university campuses in the United States. Currently in China, the 59store's most popular service is their late night snacking delivery

service. The results from our survey indicate that university students in the United States show interest in buying snacks late at night. But, the majority does not believe that they have convenient access to buying snacks at late hours of the night.

On the other hand, university students in the United States display less of a need for printing services. Only 20% of the survey respondents indicate that they frequently use a printer but do not have convenient accesses to one. This suggests that a printing service is less marketable in the United States.

The 59store's current business model requires students to sell food from their university dormitory rooms. However, universities in the United States that hold a non-profit status prevent students from selling products out of dormitory rooms. Additionally, pre-existing contracts limit how to conduct business on university campuses in the United States. This shows that legal regulations at universities in the United States eliminate the possibility for the 59store to operate on most campuses as in China.

Recommendations

Due to the limitations created by legal regulations on university campuses in the United States, we recommend that the 59store investigate expansion to off-campus housing in the United States, rather than on-campus dormitories. Additionally, we recommend that the 59store specifically investigates the legal regulations of running a business out of residential homes and apartment complexes. If the 59store decides to use off-campus housing in the United States, we suggest that their current delivery time of five minutes be increased. We also propose that the 59store adapts their business plan to target medium to large sized public universities because these universities have larger populations of off-campus students. We recommend that any further research for expansion of the 59store's business to the United States focuses on snacking. With this recommendation, we also suggest that the 59store investigate snack vendors in the United States to determine whether businesses in the United States have an interest in the 59store's business model.

Authorship

Sections	Primary Author(s)	Primary Editor(s)
Abstract	Nick	Courtney
Acknowledgements	All	All
Executive Summary	Carlos/Sophia	Courtney
1 Introduction	Sophia	Nick/ Carlos
2 Background	All	All
2.1 Online to Offline Markets	Nick/Carlos	All
2.2 Economic Growth and Business Expansion	Sophia/Courtney	All
2.3 Consumer Characteristics and Entrepreneurial Activity	Courtney/Sophia	All
2.4 Student Housing in the United States	Nick	All
3 Methodology	All	All
3.1 The 59store's operation	Courtney	Sophia
3.2 Regulation differences between China and the United States	Nick/Carlos	All
3.3 Lifestyles and Habits of University Students from the United States	Sophia	All
3.4 New Target Markets in the United States	Courtney	All
4 Results and Analysis	All	All
4.1 The 59store's Operation	Courtney	Sophia
4.2 Possible Interest of the 59store's services in the United States	Sophia	Courtney
4.3 Off-Campus Housing	Courtney	All
4.4 Legal Regulations	Nick	Sophia
5 Conclusions and Recommendations	All	All
5.1 Conclusions	Nick	All
5.2 Recommendations	Sophia/Courtney	All
Appendices	All	All

Table of Contents

Abstract.....	i
Acknowledgements	ii
Executive Summary	iii
Authorship	v
1 Introduction.....	1
2 Background	3
2.1 Online to Offline Markets	3
2.1.1 Online to offline business model.....	3
2.1.2 The 59store’s o2o model	4
2.1.3 Online to offline companies in the United States	4
2.2 Economic Growth and Business Expansion.....	5
2.2.1 Market overview of China and the United States	5
2.2.2 Business expansion.....	7
2.3 Consumer Characteristics and Entrepreneurial Activity	7
2.3.1 Comparison of consumer characteristics in China and the United States	8
2.3.2 Entrepreneurial activity of Chinese students	9
2.3.3 Entrepreneurial activity of university students in the United States	10
2.4 Student housing options in China vs. the United States	11
3 Methodology	12
3.1 The 59store’s Operation	13
3.2 Regulation Differences Between China and the United States	14
3.3 Lifestyles and Habits of University Students from the United States	15
3.4 Off-campus Housing Options in the United States	16
4 Results and Analysis	17
4.1 The 59store’s Operation	18
4.1.1 “B-b-c” Model	18
4.1.2 Student managers’ sales.....	19
4.2 Possible Interests of the 59store’s Services in the United States	20
4.2.1 Late night snacking.....	20
4.2.2 Printing service in the United States.....	21
4.2.3 Student jobs of university students in the United States	21
4.3 Legal Regulations	23

4.3.1 Contracts	23
4.3.2 Non-profit versus for-profit organizations	24
4.4 Off-Campus Housing in the United States	25
4.4.1 Off-campus populations	25
4.4.2 Distribution of Greek housing in the United States	27
4.4.3 Commute times of university students in the United States	29
5 Conclusions and Recommendations	31
5.1 Conclusions	31
5.1.1 Needs of students in the United States	31
5.1.2 Legal regulations at universities in the United States	32
5.2 Recommendations	32
5.2.1 Off-campus housing	32
5.2.2 Snacking service expansion	33
5.2.3 Vendors in the United States	33
References	34
Appendix A: Sponsor Description	39
Appendix B: The 59store Student Manager Interview Results	41
Appendix C: The 59store Regional Manager Interview Results	43
Appendix D: Interview of University Representatives Results	45
Appendix E: Survey Results	52
Appendix F: Focus Group Results	58
Appendix G: Characteristics of Universities in the United States	62

List of Figures

Figure 1. China versus United States' GDP growth (Source: Gongloff, 2014).....	6
Figure 2. “B-b-c” business model	18
Figure 3. Interest in snacking by time	20
Figure 4. Student employment distribution during the school year	22
Figure 5. Percentage of students living off-campus by school size	26
Figure 6. On-campus versus off-campus students by grade year	27
Figure 7. Clustering of Greek housing at universities in the United States by size and type	29
Figure 8. Walking times to campus for off-campus students	30

List of Tables

Table 1. Main consumer differences between China and the United States.....	8
Table 2. Printer use and accessibility for university students in the United States	21
Table 3. Clustering weights for the distribution of Greek houses	28

1 Introduction

With the rise of the Internet and other technological advances, such as smart phones and cloud computing, comes the rise of online to offline (o2o) industries. Using the o2o business model, businesses utilize the Internet as another way of communication with customers, expanding opportunities for each company (Pasquier, 2015). In China, messenger apps such as WeChat facilitate o2o commerce, by allowing consumers to order food, call taxis, or book other services. In the United States, the rise of online advertisements and shopping gives consumers a new way of discovering trends and services. In both countries, the model stresses the importance of technological advancements and convenience.

The 59store, an o2o company headquartered in Hangzhou, China, operates in more than 200 cities and over 2,500 universities around China. The 59store contains services for food, beverages, printing, and finance. Unlike typical businesses, the 59store primarily uses the o2o model to manage employees and conduct business transactions. This model uses the Internet to complete requests for services, and then a student courier delivers the product to the consumer's location. In addition, the transactions occur entirely between students, meaning that students are both the customers and the 59store's employees. By relying on the o2o model, the 59store achieves their goals to teach students about finance and entrepreneurship, to improve student quality of life, and to change the thinking about traditional commodities on campuses such as snacks and printers.

Currently in China, the 59store has over five million college students registered to use their services; however, the 59store has not expanded their business globally. In order to reach a larger market, the company wants to examine the feasibility of expanding to the United States. In order to fulfill their plans for expansion, the 59store expressed interest in learning more about university life in the United States and what legal barriers they may encounter before doing business there. While both China and the United States have a significant market based around college students, differences in societal and cultural norms impact the 59store's chance of

success abroad. Additionally, differences in legal regulations between China and the United States influence the 59store's potential to run on university campuses in the United States.

The goal of this project is to provide the company with useful information on the marketplace surrounding university campuses in the United States. This allows the 59store to make an educated decision about their plans for expansion. By combining and analyzing data collected from interviews, surveys, and focus groups, we determine the feasibility of the 59store's plan of expansion and recommend changes to the 59store's original business model to increase the company's chance of expansion to the United States.

2 Background

This section introduces the structure of the online to offline business model, how the 59store branches off of this model, and the ways companies in the United States use the online to offline model. Next, it discusses the criteria needed to expand a business internationally and compares the social and entrepreneurial lifestyles of university students in China and the United States.

2.1 Online to Offline Markets

This section describes the general structure and development of the online to offline (o2o) business model. It discusses how the 59store utilizes the o2o model to promote their business by explaining the company's functions. We also provide examples of o2o companies in the United States.

2.1.1 Online to offline business model

Throughout the history of commercial activity, businesses' marketing strategies evolved in order to increase profits and meet the demands of consumers. However, during the 1970's, the marketing strategies became differentiated enough to receive different names (Gorevaya, 2015). As of the early 21st century, businesses name the World Wide Web as one the most recent and influential inventions that allows for the manipulation of business operation strategies around the world (Ingram, 2016). The Internet gives businesses a new way of communicating with their consumers.

The online to offline (o2o) business model combines the use of an Internet-enabled device and a physical world component in an effort to increase sales (Pasquier, 2015). While the overall business model may appear new, this model borrows ideas from a much older model known as the brick and mortar business model, which only uses the physical world for sale. The o2o business model combines the older brick and mortar model's presence in the physical world

with the newfound convenience of the Internet (Enders, 2000). Companies that use Internet based advertisements in order to attract consumers to their physical store exemplify the o2o model.

2.1.2 The 59store's o2o model

The 59store is one of many businesses in China that advertises itself as an online to offline company. Like most o2o companies, the 59store takes the o2o business model and adapts it to efficiently fit their needs. The 59store utilizes the online component of the o2o model by using the company's app and website to facilitate business transactions for their food, beverage, and printing services. In the beverage and food service, the student managers deliver snacks and drinks while in the printing service, the student managers deliver printed documents. The deliveries arrive at the customers' dormitory rooms within five minutes of ordering; this illustrates the offline component of the 59store's o2o model. The 59store uses the Internet to improve their services' convenience and accessibility (59store xiào yuan, 2016).

2.1.3 Online to offline companies in the United States

While many companies from the United States do not advertise their business strategies specifically as online to offline, many businesses follow the o2o model or a similar model. Amazon, an online delivery business, is a prime example of a company that utilizes this model. Like the 59store, their model developed over time to increase convenience for their consumers (Palladino, 2016). Their service "Amazon Prime Now" demonstrates this through its effort to decrease the time between ordering and receiving a product (Palladino, 2016). The service "Amazon Prime Now" allows customers to order certain products online and delivers the products within two hours in selected cities (Ultra-Fast FREE Delivery, 2016). The company already has a strong consumer base from its "Amazon Prime" service, but "Amazon Prime Now" expands on that with the expedited same-day delivery. "Amazon Prime Now" includes an assortment of local restaurants and fresh food stands as ordering options. The customer orders goods online through Amazon's website and Amazon couriers deliver the products to customers in the city.

Two other o2o companies are TaskRabbit, Inc. and Peapod. With TaskRabbit's services, customers post tasks they need completed on TaskRabbit's website or app, and one of the company's employees completes the task for a fee. This service intends to help busy individuals, who do not have enough time in their daily schedule for certain chores, such as cleaning their floors or mowing their lawns (TaskRabbit, Inc: Private Company Information, 2016). Peapod increases ease and accessibility for customers by facilitating grocery delivery and pick-up services through their website and app (Peapod, 2016). Both TaskRabbit and Peapod's services adopt the o2o model by bringing a product or service viewed online to the customer offline in the physical world.

2.2 Economic Growth and Business Expansion

This section looks at the differences between the United States and China's economy. Next, it discusses the differences between how businesses operate in China versus the United States. This section also focuses on understanding what qualities businesses that expand successfully from China to the United States possess.

2.2.1 Market overview of China and the United States

During its development, China's economy experienced one of the fastest economic expansions by a major economy in history. Since 1978, the country's GDP, illustrated in Figure 1, grows an average of ten percent yearly (China Overview, 2015). This growth lowered the country's poverty rate and allowed new businesses to develop. Additionally, in 2015, China's exports rose by 25 percent, which illustrates a successful growth of production and sales (Amadeo, 2016). This visualizes the country's development.

Despite these accomplishments, China faces large internal economic inequalities (Allen, 2014, p. 1). Urban areas tend to boast strong economic performances, while migrant workers constitute the majority of the population in rural areas. Because of the wealth gap and China's

rapid GDP growth, the country has a more fragile economy than most other advanced countries (China Overview, 2015).

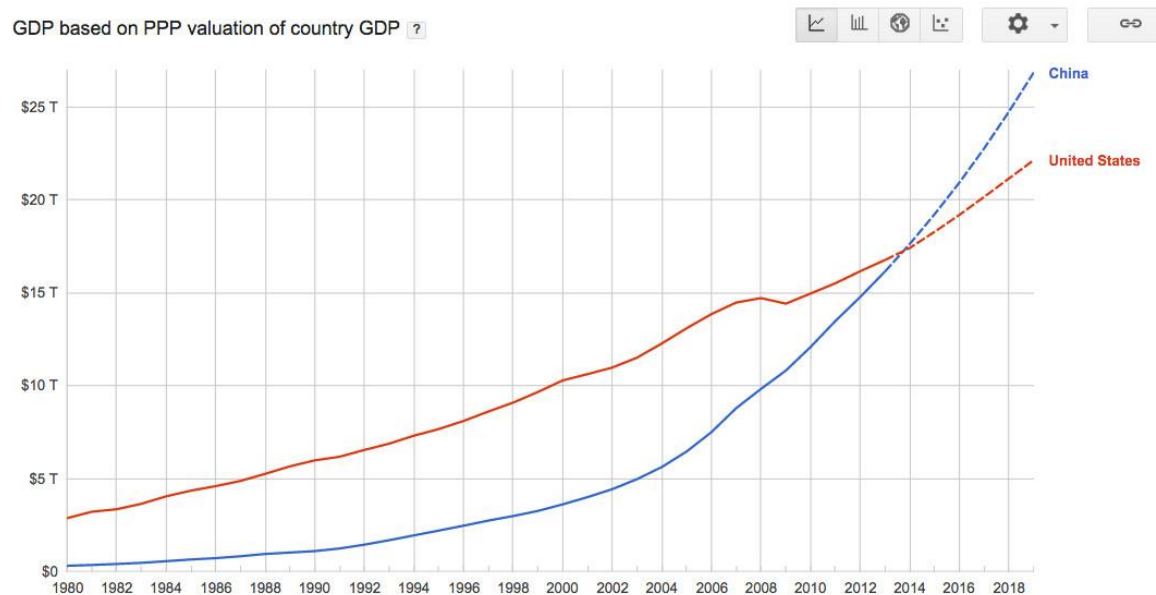


Figure 1. China versus United States' GDP growth (Source: Gongloff, 2014)

On the other hand, the United States' economic growth showed more stability over the last fifty years than China's economic growth. In Figure 1, The United States' GDP growth line resembles a linear slope, indicating a stable economic state. However, China's GDP growth line resembles an exponential slope, indicating a faster growing but less stable economic state than the United States (China Overview, 2015).

After the global recession, China conceived and approved a plan to help facilitate domestic financial stability (International Markets Bureau, 2010, p. 8). China used this plan to develop a more stable market after their quick economic growth, protecting the Chinese market from another global economic downfall, stabilizing the economy again, and raising the GDP growth rate (International Markets Bureau, 2010, p. 8-9). Because of the global recession in the early 2000s, China wants sustainable growth, rather than erratic growth.

2.2.2 Business expansion

Partnerships with companies in foreign countries help businesses who want to expand overseas. By partnering with a business successful in that country, the expanding business benefits from domestic help, avoiding starting from the bottom again (Clear, 2011). This strategy is fairly common, as China and Chinese businesses invest money in businesses in the United States through mergers, acquisitions, and private placements. As of early May of 2016, “72 deals ... valued at over \$7.5 billion have closed and 27 new deals valued at over \$33 billion targeting United States-based companies have been announced” (Sigdya, 2016).

Huawei Technologies, a networking and telecommunications company, and Haier, a consumer electronics and home electronics company, are two Chinese businesses that successfully expanded into markets in the United States. A case study on Huawei Technologies credits patience as one of the reasons for the company’s successful transition. Before entering a developed country like the United States, Huawei first focused on emerging markets (Luo, 2011). Similarly, a case study on Haier’s international expansion analyzed the failures and successes of their international endeavors. Like Huawei, the company focused on its branches in developing countries before expanding to the United States. Haier’s lack of resources and brand popularity initially limited its success internationally (Liu, 2002). To combat this, Haier used a product-focused international market entry strategy when it first entered into the United States market. By following this strategy, the company only focused on marketing one product until they successfully secured a position in the market for that product (Liu, 2002). They then moved on to introduce the next product, and slowly emerged into foreign markets using this method.

2.3 Consumer Characteristics and Entrepreneurial Activity

In order to assess the feasibility of the 59store’s business model in the United States, this section compares the consumer characteristics and entrepreneurial opportunities in both China and the United States.

2.3.1 Comparison of consumer characteristics in China and the United States

China and the United States' consumers show three distinct characteristics, shown in Table 1. According to Jin Zhang (2015), consumers in the United States choose products based on personal appeal and brand popularity, while Chinese buyers choose flashy and first-tier, or highest level, products and prefer brand credibility. In addition, the United States has more significant ethnic differences in the consumer market, while China's consumer market varies more by regional differences (Zhang, 2015). Because of these significant variations of the consumer markets, marketing techniques that succeed in China might not be as effective in the United States, and vice versa.

Table 1. Main consumer differences between China and the United States

	China	The United States
Consumer Characteristics	Flashy-ness	Personal appeal
	First-tier products	Brand popularity
	More regional differences	More ethnic differences

Several international food companies, such as Heinz or Nestle, encountered trouble when initially entering into the Chinese market (International Markets Bureau, 2010, p. 13). Chinese consumers trusted the quality and safety of their domestic products, and as a result, international companies like Heinz and Nestle did not easily attract Chinese consumers' attention. However, these companies broke into the market through persistence. While domestic brands failed to provide quality and safety assurances, the international brands stepped up and gained consumers' support.

On the other hand, products that are popular in the Chinese market, such as flashy, brand-name products, might not be as marketable in the United States by these standards. Consumers in China, especially those with new fortunes, eagerly flaunt their wealth, making them better targets for impulse purchases and more expensive items (Zhang, 2015). However, in the United States,

brands known for being pricier and more stylish were less prosperous than businesses that customers view as value brands (Palmer, 2014). The recession left customers in the United States less likely to spend money when they can repurpose what they already have.

2.3.2 Entrepreneurial activity of Chinese students

On some campuses in China, students must follow strict rules regarding studying habits, sleep schedules, and rigorous workloads. According to an article written about higher education in China versus the United States, students find themselves working most hours of the day. In addition, in some areas of China the power shuts off at approximately 11:00 pm the night before class in order to encourage students to follow a healthy sleep schedule (Rizzi, 2011).

With the high demands of education, some Chinese students participate in entrepreneurial activities on-campus in order to stand out from their peers. In a journal article on higher education and entrepreneurial intentions, the author concluded that university students in China are likely to pursue entrepreneurial opportunities when the students have a positive attitude and motivation from either a future investment or enthusiasm to tackle difficult tasks (Wu, 2008).

Investing in entrepreneurship opportunities in China proves worthwhile for all parties involved. Between 2000 and 2013, non-state owned industrial businesses' revenues and profits more than doubled the amount of revenue and profits their state owned counterparts generated (Tse, 2016). In addition to large profits related to entrepreneurial activities, government figures such as Premier Li Keqiang and Deng Xiaoping encourage new businesses to try to promote Chinese innovation and capital growth (Tse, 2016). Globally, young people, particularly those born in the 1980's and 1990's, express less fear of failure than previous generations. This spirit encourages the creation of new businesses more frequently because entrepreneurs fear failure less than previous generations.

2.3.3 Entrepreneurial activity of university students in the United States

Campus life for most students in the United States similarly consists of classwork, extracurricular activities and jobs. Unlike in Chinese universities, universities in the United States do not closely monitor the daily action of most university students. This means that students have more freedom and society expects students to independently keep themselves on schedule. Building off of this idea, a journal article on sleep issues of college students suggests some United States' college students suffer from lack of sleep and irregular sleep patterns because of the lack of limitations on technology (Rosen, 2016).

While some students may struggle with this freedom, others take advantage of it. One way of taking advantage of this freedom is by engaging in entrepreneurial activities. According to an article on college entrepreneurship programs, entrepreneurial programs strive to create entrepreneurial culture, education, and student venture support. University business classes and entrepreneurship clubs demonstrate this culture. However, many universities do not track the outcomes of these programs (Standard, 2016). As a result, in some cases, assessing the programs' success in assisting the students proves difficult.

Nonetheless, the entrepreneurial skills of students who have participated in student run organizations can be measured by the students' actions. In organizations such as fraternities, student government, and interest clubs, students volunteer to take on leadership roles and responsibilities (Aymoldanovna, 2015). According to an article on the importance of teaching leadership, entrepreneurial roles allow students to develop stronger creative thinking skills (Sokol, 2015). In some cases, the students' creativity leads to the development of successful businesses, such as Google, Snapchat, and Reddit.

2.4 Student housing options in China vs. the United States

Student housing options at universities in China are usually not flexible. At most universities in China, students must live on-campus for their entire time at the university (Wang, 2013). For students without this restriction, on-campus housing, which averages to cost about \$15 a day, is cheaper than off-campus options, which costs about \$20 a day on average (Cost of Studying in China, 2016).

Unlike students in China, students in the United States tend to move away from on-campus dormitory arrangements. According to a survey of 7,095 undergraduate students by J-Turner Research, 80% of students from the United States surveyed live off-campus (Bartdorf, 2013). Off-campus housing options provide more flexibility and personal space for students, explaining the appeal of living off campus. In addition, most off-campus housing options are usually cheaper than on-campus housing. Participants from the J-Turner Research survey reported 69% of the time living on-campus was more expensive than living off-campus (Bartdorf, 2013).

3 Methodology

This project assesses the feasibility of the 59store's business model in the United States. Analyzing the data obtained through accomplishing the following objectives allows us to make recommendations that assess the feasibility of the 59store's expansion to the United States.

1. Understand the current operations of the 59store in China.
2. Evaluate the legal barriers involved with running a business on a college campus in the United States.
3. Determine the needs and lifestyles of students in the United States.
4. Evaluate off-campus housing options in the United States, as a potential target market for the 59store.

We accomplish these objectives by using a variety of data collection methods, including interviews, surveys, and focus groups. This section explains the methods we use and our reason for choosing them.

3.1 The 59store's Operation

We investigate the 59store's operations in order to assess what business models are feasible for them to implement in the United States. In addition to using a presentation provided by the 59store, interviews of the 59store's employees help us gain general knowledge of the 59store's daily operations. This allows us to understand the most important components of the 59store's business model.

We interview student managers to understand the daily on-campus operation of the 59store. These student managers provide us with information about how they acquire products to sell and how they deliver the products to the customer. In addition, student managers help us determine and assess the general need for entrepreneurial skills. This provides us with a clear understanding of how the 59store operates in China. Appendix B contains the interview questions for the 59store's student managers.

We interview regional managers from the 59store to gather information about how the 59store operates internally. Their broad perspective of the 59store's business strategies include knowledge of Chinese dormitories, particularly the aspects of Chinese dormitories that enable the 59store's business model to flourish. Appendix C contains the interview questions for the 59store's regional managers.

3.2 Regulation Differences Between China and the United States

In order to further our knowledge about regulations, we analyze the rules and regulations being imposed upon university based businesses in both the United States and China. To gather information on university regulations in the United States, we conduct interviews with representatives from several universities across the United States. These representatives work on the legal processes concerning compliance operations at their respective universities. The university representatives include representatives from both private and public establishments of different sizes. This adds diversity to the data samples. Appendix D contains the interview questions for the representatives. We use Skype or email to facilitate the interview, depending on the interviewee's preference.

Information on China's regulations is necessary in order to make a comparison with the regulations in the United States. Through interviews with regional managers at the 59store, we gather information not only about how the regulations in China influence business strategies, but also about how they differ from regulations in the United States. Appendix C contains the questions for the 59store's regional managers.

3.3 Lifestyles and Habits of University Students from the United States

Determining the feasibility of the 59store's business expansion into the United States depends heavily on the general needs, lifestyles, and habits of university students in the United States. Gathering this information enables us to better understand the working, snacking, and studying habits of these university students. In addition, we gain insight about how students currently access snacks late at night. This helps determine whether university students from the United States currently need a service similar to the 59store and what potential changes might help the 59store make their business model better fit the needs of college students.

We use a survey and a focus group of university students from the United States to gather information about students' lifestyle and habits and information regarding their work experience on-campus. These two methods also determine the students' opinions on snacking and convenience of campus printing services. Appendix E and F contain the questions for the survey and the focus group respectively.

The samples for our focus group and survey contain a diverse group of undergraduate students. Although our focus group consists of students from the same university, our survey participants include students attending universities across the United States. For the focus group, one person from our group guides the meeting, while the others take notes on the important points brought up by the participants. For the survey, we use an online application to send, facilitate, and process the surveys. Links to the survey, which we post on college social media pages and send to personal contacts, facilitate the distribution of the survey in order to collect more data.

3.4 Off-campus Housing Options in the United States

If on-campus markets in the United States are unsuitable for the 59store's current operations, we want to provide the 59store with an alternative market option to increase their chances of success. Focusing on a new target market requires the 59store to modify their current model, or even adopt a new one to fit that market. By compiling data online about universities in the United States, we accumulate information on off-campus housing trends in the United States.

We choose 14 small, medium, and large universities to investigate. Half of the 42 schools investigated are private universities and the other half are public universities. We refer to a small university as being less than 2,000 undergraduate students, a medium university being between 2,000 and 15,000 undergraduate students, and a large university being greater than 15,000 undergraduate students. For each university, we determine the percent of off-campus students and identify an off-campus housing option specifically for students in social organizations. We refer to this as Greek housing. From this information, we identify the amount of Greek houses within a quarter mile radius of each other. These characteristics allow us to determine what type of university demonstrates suitable characteristics for the 59store's operations.

4 Results and Analysis

In this section, we describe the 59store's operation and the factors that define their business. We examine the desires for convenience services and entrepreneurial activities of students in the United States, by assessing their want for late night snacking services, printing services and employment. Additionally, we analyze the legal regulations of businesses on university campuses in the United States. We conclude by exploring off-housing campus options that might be a potential market for the 59store in the United States by assessing the differences in population distributions.

4.1 The 59store's Operation

The 59store built their current business model to work within Chinese culture and dormitory styles. To examine the company's chance of success in the United States, we investigate how the 59store operates in China. This section analyzes information gained from interviews with the 59store's student managers and regional managers to further develop our understanding of the 59store's daily operations.

4.1.1 "B-b-c" Model

The 59store's snacking delivery operations rely on the "B-b-c" structure. In this structure "B" stands for big businesses. These are typically large vendors, who provide the goods of sale to the company. The "b" stands for little businesses, which student managers represent, and the "c" signifies the customers. According to the regional managers interviewed, the 59store implements this system to provide a convenient way for the student managers to sell goods.

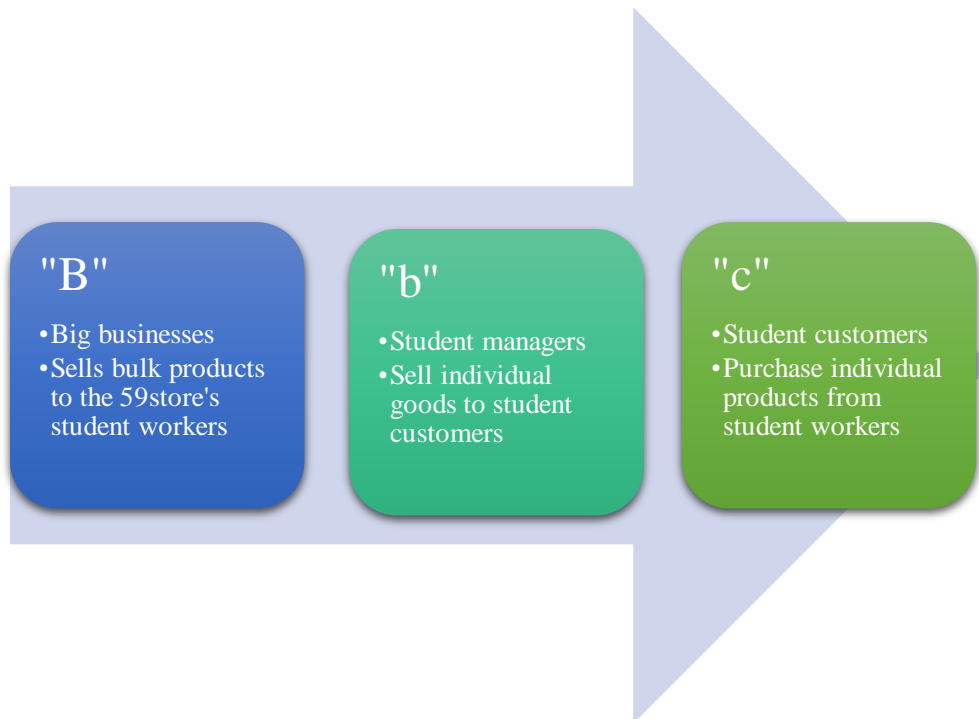


Figure 2. "B-b-c" business model

The 59store's apps and website facilitate the distribution of product throughout the "B-b-c" structure, illustrated in Figure 2. According to the student manager interviewed, the 59store displays the products available online from the large vendors. The student manager buys the product with his or her own money, and the 59store delivers the product to the student manager's location from a warehouse. The student managers display their inventory on the 59store's website. According to the student manager, student managers also advertise their services offline by placing flyers in dormitory rooms and by speaking individually with potential customers. The customers buy the product through the 59store's app or website, and the student manager delivers it to the customers' dormitory room. This implies that part of the student managers' success depends on their dedication to selling.

4.1.2 Student managers' sales

The 59store determines the student managers' payment by how much they sell. The 59store requires the student managers to sell products for the same price they bought it for or less. After the student manager sells the product to the customer, the student manager earns 20% of the warehouse price. This suggests that the 59store's student managers sell the product for more than 80% of the buy price in order to make a profit. For example, if a student manager buys a product from the warehouse for \$100, the 59store pays the student \$20, once the product has been sold to a customer. In this example, to avoid net loss, the student manager must sell the product for more than \$80. Since the 59store owns the products in the warehouses, but does not manufacture the products, they make a profit when the student managers purchase the snacks from the warehouse. The 59store buys the snacks from the manufacturer; then, the student workers buy the snacks from the 59store's warehouse at a higher price.

4.2 Possible Interests of the 59store's Services in the United States

The 59store's current services provide Chinese university students with a way to conveniently acquire snacks, and use printing services. In this section, we analyze the data gathered from 136 university students in the United States to assess their interest in similar convenience services and entrepreneurial opportunities.

4.2.1 Late night snacking

In China, most of the 59store's customers utilize the 59store's late night food and beverage shops. These shops allow student customers to buy goods and student managers to sell goods at late hours of the night. We consider the availability of snacks for students in the United States between the hours of 7:00PM and 3:00AM, along with the snacking desires of students in the United States, to determine their need for this service. The results from the survey of university students in the United States show that 70% of the students have interest in purchasing snacks late at night. However, only 35% of all students surveyed believe that they have access to snacks late at night.

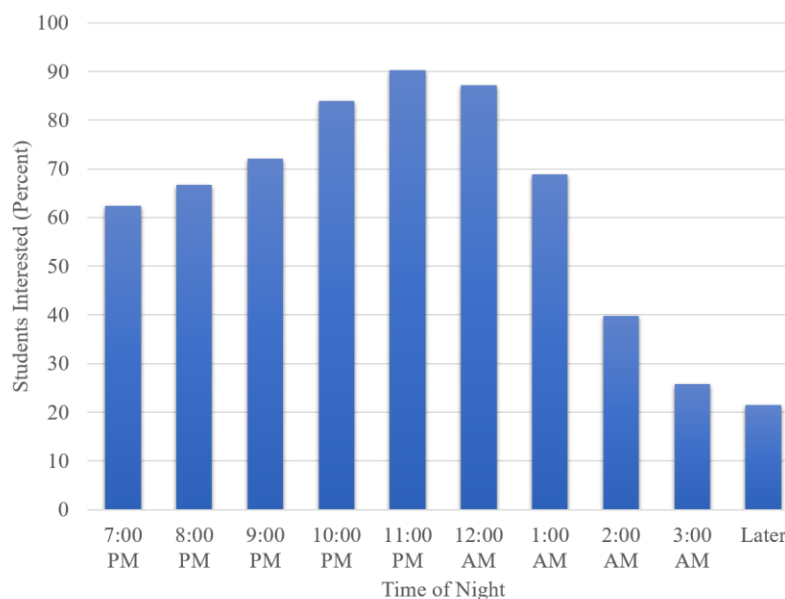


Figure 3. Interest in snacking by time

The majority of the survey participants selected more than one possible time for buying snacks late at night. Figure 3 illustrates the interest in buying snacks at night, as expressed by the students surveyed. The graph shows that more than half of students express interest in purchasing snacks between 7:00 PM and 1:00 AM.

4.2.2 Printing service in the United States

Currently, the 59store operates a print shop for Chinese university students, which allows students to get a document printed and delivered to their dormitory room. For the 59store, the targeted customers for this service are students who frequently print documents, but do not always have easy access to a working printer. Table 2 shows the data gathered from our survey about printer use and accessibility. The summation of the percentages in the table do not add up to 100. This is because the survey contains no mandatory questions, and two students chose not to answer the questions about printing. Nonetheless, this shows that only 20% of students surveyed, who do not have easy access to a printer frequently use one. These data suggest that students might not use the printing services offered by the 59store as frequently as the snacking service in the United States.

Table 2. Printer use and accessibility for university students in the United States

Students without easy access to a printer		Students with easy access to a printer	
Print Frequently	Print Infrequently	Print Frequently	Print Infrequently
19.4%	9.7%	41.8%	28.4%

4.2.3 Student jobs of university students in the United States

One of the main focuses of the 59store's business model is student entrepreneurship. The company's current business model highlights the importance of teaching the student managers entrepreneurial skills. The results from our focus group with four university students from the United States provide us with student opinions on entrepreneurial activities. Three out of the four students have a job on-campus. Two students from the focus group want a job that allows them

to gain entrepreneurial skills. However, the participant size limits our ability to generalize these opinions.

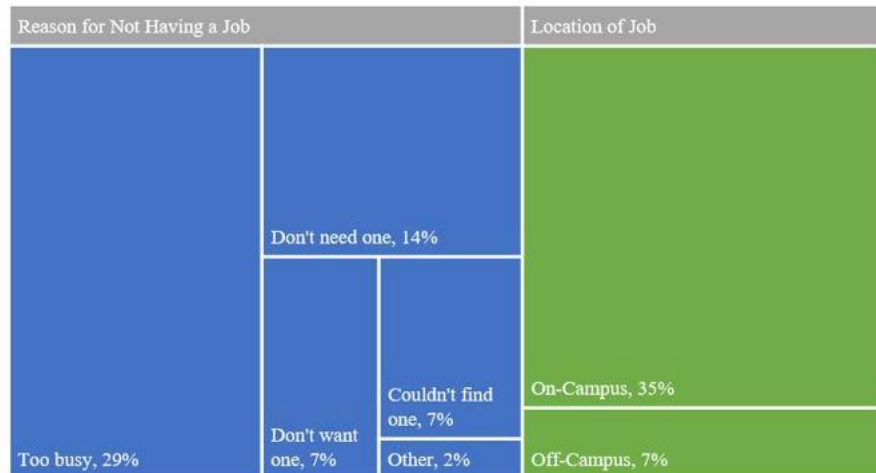


Figure 4. Student employment distribution during the school year

Our data indicate that 42% of the students surveyed have a job. Figure 4 displays the student employment distribution during the school year. However, due to rounding errors, the total sum of percentages is 101%. The graph illustrates that only about 7% of the survey participants do not have a job but seek employment. These data provide the 59store with an estimated ratio of students interested in seeking employment. However, this information does not allow us to draw conclusions about United States' university students' entrepreneurial job interests.

4.3 Legal Regulations

The 59store's business model requires operation on university campuses; this section discusses the legal regulations that prohibit companies from conducting business on university campuses. We evaluate exclusivity contracts and policy differences between non-profit and for-profit universities, as well as between public and private universities.

4.3.1 Contracts

The 59store's current snack and beverage shops involve students selling snacks and drinks on university campuses in China. However, according to WPI's Chief Compliance Officer, there are universities in the United States that utilize exclusivity contracts. In these exclusivity contracts, the university agrees to only use one provider for a service or commodity. These contracts with food providers generally mean that the university agrees to one company providing all food services for the university. Exclusivity contracts with food providers jeopardize the 59store's chance of expansion. These contracts require the interested business to not only get approval from the school, but also to make a business arrangement with the university's primary food provider in order to run on the university's campus. This gives both the university and the primary food provider power to veto a business' operations on campus. According to WPI's Chief Compliance Officer, the university bases the decision primarily on the benefits that the interested company provides for the students. Being dependent on the decision of a potential competitor adds a probable barrier of entry into the campus food service market.

Not all universities sign exclusivity contracts with food providers. According to the representatives interviewed, companies conduct business in many different ways with universities. There are universities that work with businesses on a case by case basis. In this process, a university determines whether or not to allow a non-contracted business to operate on its campus, based on the university's want or need for the service. Other universities choose service providers through a bidding process. At these universities, if the school needs a service on its campus, companies bid to provide that service to the university. The company that wins

the bid must comply with the terms and conditions included in the bid in order to operate on the campus.

4.3.2 Non-profit versus for-profit organizations

Universities in the United States fall into the category of either non-profit or for-profit. Rules and regulations for on-campus businesses vary depending on the type of university. Non-profit universities are more common, being designed “first and foremost to serve students’ interests, helping them finish their college degrees and achieve career success” (Non-Profit vs. For-Profit Colleges: What You Need to Know, 2016). If a university claims non-profit status, they become eligible for federal tax breaks (Tax Exemption for Universities and Colleges, 2013). Non-profit universities have the potential to become eligible for other tax breaks, such as state and local tax breaks, depending on their location. Non-profit regulations require universities to spend their income in ways that best serve the students’ interests, in order to maintain their non-profit status.

Regulations surrounding non-profit universities make adapting the 59store’s current business model more difficult in the United States. The 59store’s existing business model requires the student managers to make sales from and keep stock in their personal on-campus dormitory rooms. This operation directly violates a university’s non-profit status declaration. Based on our interview with WPI’s Chief Compliance Officer, non-profit schools, including WPI, prohibit students from selling products out of their dormitory rooms. According to our WPI contact, universities typically have students who live on-campus sign contracts forbidding them from selling products or services out of their dormitory rooms. If a student or business violates this contract, the university becomes liable for taxes they previously had exemption from because of their non-profit status.

On the contrary, for-profit universities “are in the business to make money for owners and shareholders by offering a service; in this case education” (Non-Profit vs. For-Profit Colleges: What You Need to Know, 2016). These colleges profit from the services they provide, while receiving no tax breaks. However, for-profit universities only represent 12% of universities

in the United States (Deming, 2013). The scarcity of for-profit universities limits the 59store's potential market at for-profit universities.

4.4 Off-Campus Housing in the United States

The 59store's business currently operates mainly within university dormitories. However, our results indicate that there are legal limitations in the United States that limit who can operate a business on campus. In order to increase the potential customer base of the 59store in the United States, this section explains the distribution of off-campus populations and the cut times of students in the United States. In addition, we analyze the distribution of student housing specifically allocated for students in social organizations called fraternities and sororities. We refer to this housing option as "Greek Housing."

4.4.1 Off-campus populations

We investigate the sizes, the public or private status, and the off-campus populations of 42 universities in the United States. For this data, an undergraduate student population of 15,000 or more classifies a large university; an undergraduate population of 2,000 to 15,000 students defines a medium size university and a student population less than 2,000 classifies a small university.

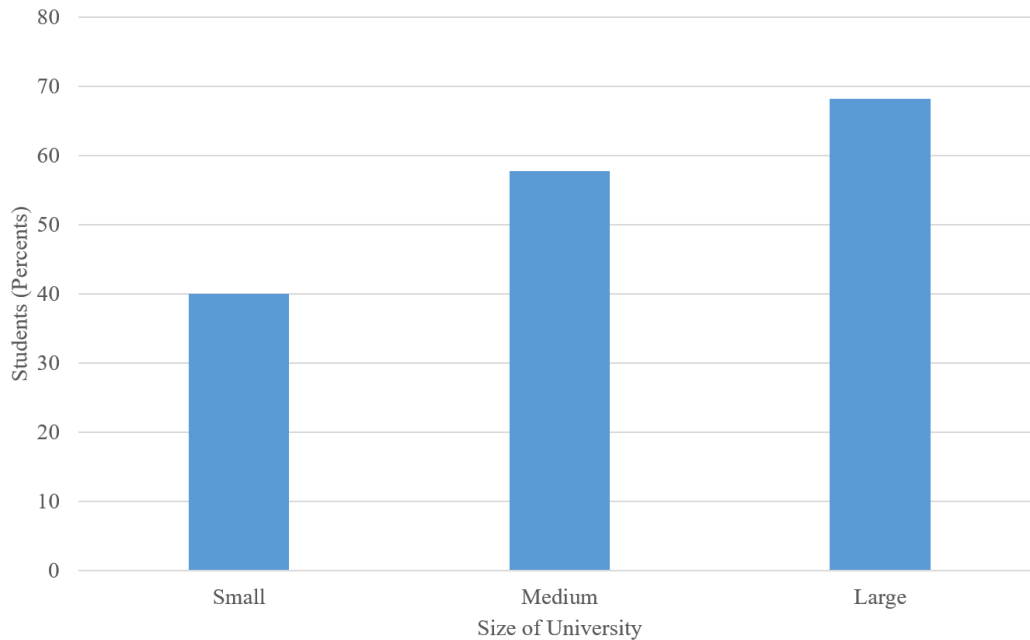


Figure 5. Percentage of students living off-campus by school size

Figure 5 displays the populations of off-campus students, grouped by the size of the university. The graph suggests that in larger universities, more students live off-campus, while smaller universities tend to have a higher population of on-campus students. The data about off-campus student populations differs from the statistics gathered from the J-Turner research survey; however, it is possible that this is due to differences in the methods used for acquiring data.

Figure 6 illustrates the on-campus versus off-campus distribution by grade level. The data from our survey of college students in the United States suggests that the likelihood of college students to live off-campus increases the longer they stay in college. However, the 59store's current business model requires students to live in dormitories to work as a student manager. This means that if the 59store uses this model in the United States, the 59store might force the students who decide to move off-campus to resign.

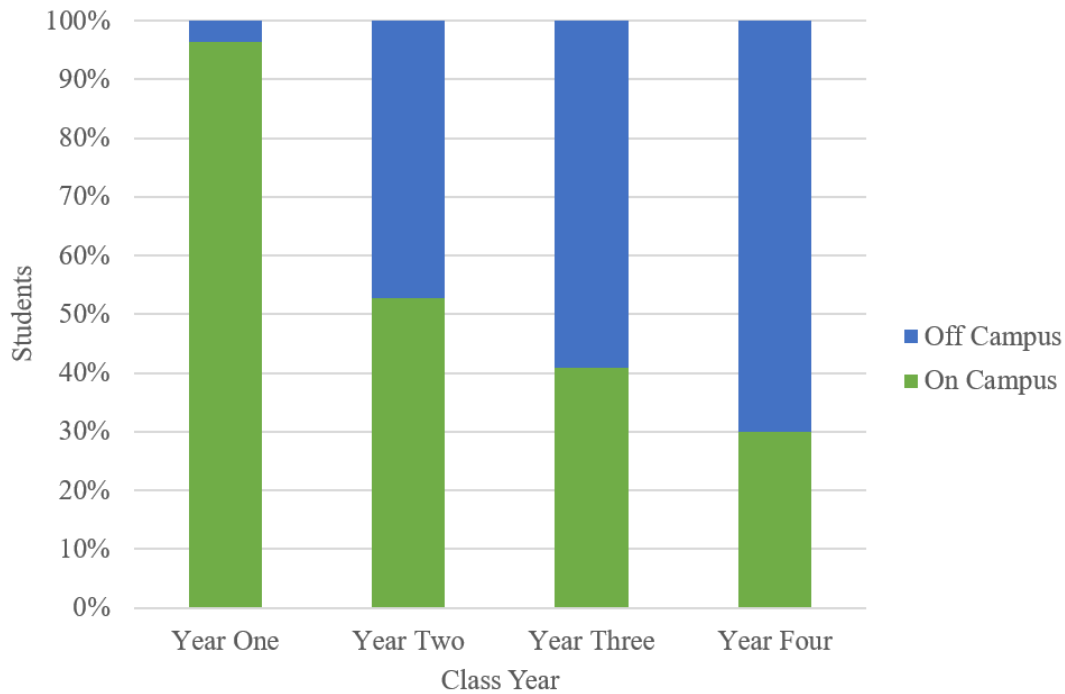


Figure 6. On-campus versus off-campus students by grade year

The data gathered from the survey shows that as students stay in school longer, the likelihood that they will live off-campus increases. This means that the majority of the 59store’s potential student managers in the United States are students who are close to leaving university; however, the current employee base in China is all university students. This suggests that the 59store might see a large fluctuation of potential student managers in the United States.

4.4.2 Distribution of Greek housing in the United States

Greek housing in the United States exemplifies the differences in student housing options between the United States and China. Greek houses provide housing to a group of students similar to what dormitories provide. However, unlike student dormitories, not all universities designate a space for Greek housing. Due to this, we use data gathered online about universities’ Greek life to assess the proximity between Greek housing at universities in the United States.

Table 3. Clustering weights for the distribution of Greek houses

Cluster Weight	Greek houses within a quarter mile radius of each other
1	0-1
2	2-3
3	4-5
4	6 or more

In order to visualize how close together Greek houses are from one another at universities, we organize universities into different categories based on the number of Greek houses that exist within a quarter mile radius of each other. Table 3 displays the number of Greek houses within a quarter mile radius for each weight. These categories, which we define as the “clustering” of Greek houses, range from one through four. This information determines whether the Greek houses are close together or far apart. Because the 59store’s current business model benefits from having a large group of students living close together, it is more helpful for the company if their target university has a high Greek house clustering weight.

We average the weights of the clustering of Greek houses based on the universities’ size and public or private status and show this data in Figure 7. The graph implies that large public universities on average have more than six Greek houses within a quarter mile radius. This suggests that large public universities provide a housing option other than on-campus dormitory rooms, where large amounts of students live in close proximity.

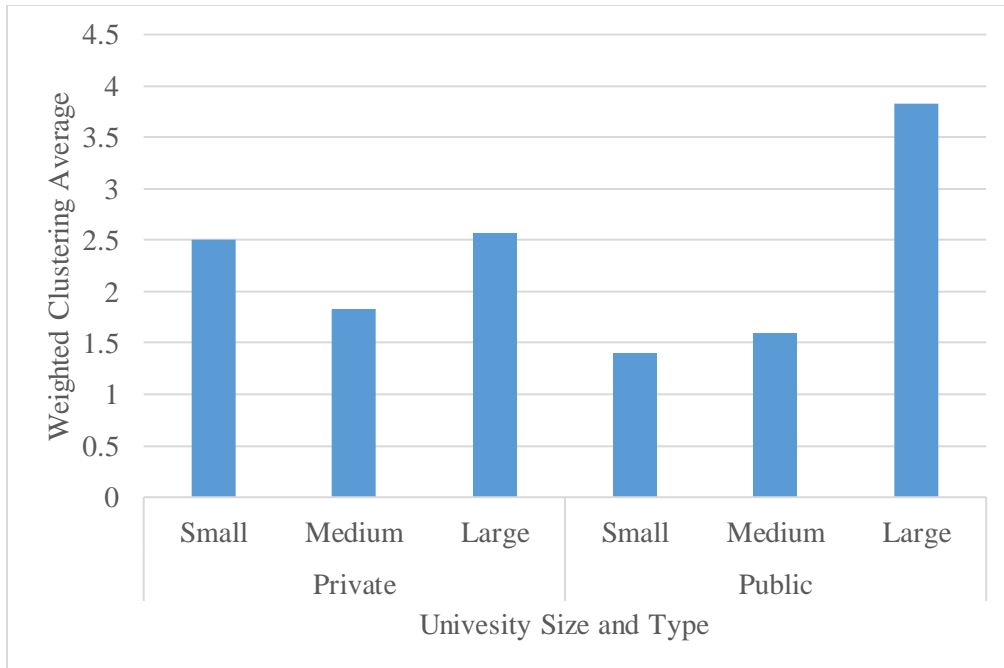


Figure 7. Clustering of Greek housing at universities in the United States by size and type

4.4.3 Commute times of university students in the United States

In order to present off-campus students in the United States as potential student managers for the 59store, we analyze the walking times of the off-campus students surveyed. Figure 8 shows the times it takes the off-campus students surveyed to arrive to campus by walking. Although the students do not live on-campus, 69% of the surveyed students' walk to campus is ten minutes or less. These data suggest that there are potential employees for the 59store who live off-campus. With short commute times, the students who live off-campus have potential to deliver to students who live on-campus and off-campus.

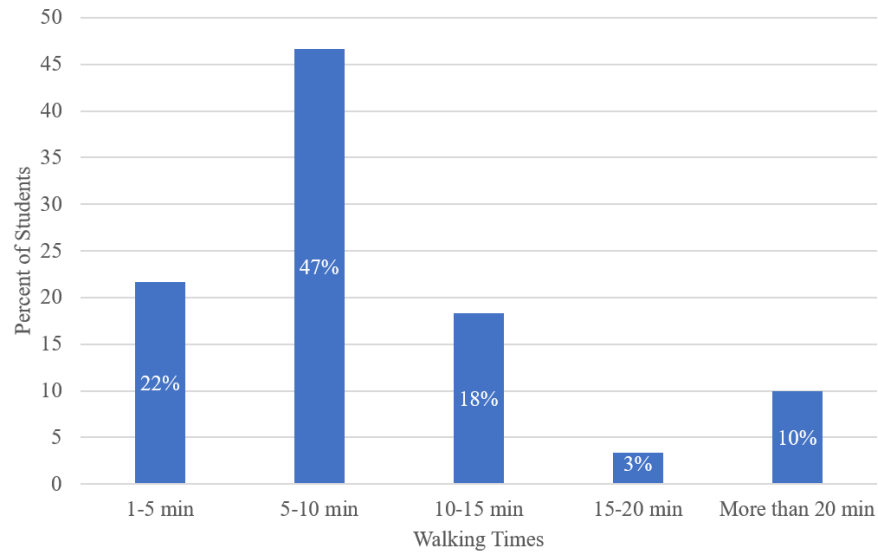


Figure 8. Walking times to campus for off-campus students

The participants of the survey of 136 university students in the United States are mainly students from small to medium sized universities. As a result, there is a lack of representation from larger universities where students use public transportation, such as buses to get to campus. Due to this limitation, we fail to conclude if this information accurately represents the commute times of all students in the United States. Nonetheless, this information implies that universities exist in the United States where an off-campus to on-campus delivery is possible.

5 Conclusions and Recommendations

Based on our analysis, legal barriers that exist on university campuses in the United States limit the 59store's possibility of operation. This means that with the 59store's current business model, an expansion to the United States is not feasible. However, creating a new version of the 59store's model before expanding increases their chance for a successful expansion. In this section, we summarize our key findings about legal regulations and the snacking market surrounding university campuses in the United States. Additionally, we provide recommendations to assist the 59store in making an informed decision about their expansion to the United States.

5.1 Conclusions

This section summarizes the key findings from the results and analysis section. We conclude that students in the United States display an interest for the 59store's services. However, legal regulations on college campuses in the United States might prohibit the 59store from operating in this environment.

5.1.1 Needs of students in the United States

Based on the data gathered, we conclude that a market exists for a late night snacking service around university campuses in the United States. Currently in China, the 59store's most popular service is their late night snacking delivery service. The results from our survey indicate that university students in the United States show interest in buying snacks late at night. The majority does not believe that they have convenient access to buying snacks at late hours of the night.

On the other hand, university students in the United States display less of a need for printing services. Only 20% of the students surveyed indicate that they frequently use a printer, but do not have convenient accesses to one. This suggests that a printing service is less marketable in the United States.

5.1.2 Legal regulations at universities in the United States

The 59store's current business model requires students to sell food from their university dormitory rooms. However, universities in the United States, which hold a non-profit status prevent students from selling products out of dormitory rooms. Additionally, pre-existing contracts limit how to conduct business on university campuses in the United States. As a result, we conclude that legal regulations at universities in the United States do not allow the possibility for the 59store to operate on most campuses.

5.2 Recommendations

After drawing these conclusions, we recommend potential changes the 59store could utilize if they continue investigating the feasibility of expanding to the United States. The recommendations found in the following sections focus primarily on ways the 59store's o2o business model can be adapted to increase its effectiveness in the United States.

5.2.1 Off-campus housing

Due to the limitations created by legal regulations on university campuses in the United States, we recommend that the 59store investigates expansion to off-campus housing in the United States, rather than on-campus dormitories. Additionally, we recommend that the 59store specifically examines the legal regulations of running a business out of residential homes and apartment complexes. Further research on that subject will provide the 59store with concrete evidence about the feasibility of their business model in off-campus housing.

Currently, the 59store advertises a five-minute delivery time. However, if the 59store decides to use off-campus housing in the United States, we suggest that the delivery time be increased. This is due to the differences between off-campus housing and on-campus dormitories. Students at most universities in the United States must live in specific areas if they wish to live on-campus; however, students who live off campus do not have locational

limitations for their housing options. This suggests that students who live off-campus live farther away from each other, increasing the distance needed to travel.

We also recommend that the 59store targets their business plan at medium to large sized public universities. According to our data about universities in the United States, Greek houses tend to group together more in larger universities. Similar to dormitories, this structure places many college students into a small area, which helps the potential student managers decipher the customer base.

5.2.2 Snacking service expansion

Because we conclude that the demand for the 59store's late night snacking service is greater than the demand for the company's printing service in the United States, we recommend that any further research for expansion of the 59store's services in the United States focuses on snacking services. If the 59store's snacking service experiences moderate success, then the feasibility of importing more of the 59store's current services to the United States increases.

5.2.3 Vendors in the United States

In China, the 59store partners with different companies to acquire products. Because of this, we recommend that the 59store investigates food vendors, such as grocery or convenience stores in the United States. If the 59store partners with a food vendor, the partnership might increase the 59store's chance of success in the United States. In addition, this determines whether or not businesses in the United States have an interest in the 59store's business model.

References

- Allen, F., Shan, S. C., Qian, J., & Zhu, J. L. (2014). *The Best Performing Economy with the Worst Performing Market: Explaining the Poor Performance of the Chinese Stock Market* (Unpublished master's thesis). Shanghai Jiaotong University, University of Pennsylvania. Retrieved October 4, 2016.
- Aymoldanovna, A. A., Zhetpisbaeva, B. A., Kozybaevna, K. U., & Kadirovna, S. M. (2015b). Leadership development university students in the activities of student government. *Procedia - Social and Behavioral Sciences*, 197, 2131-2136.
doi://dx.doi.org/10.1016/j.sbspro.2015.07.336
- Batdorf, J. (2013, August 5). Exclusive Research: 7,000 Students Reveal Their Housing Wants and Needs. Retrieved from http://www.multifamilyexecutive.com/property-management/apartment-trends/exclusive-research-7-000-students-reveal-their-housing-wants-and-needs_o
- Biggins, L. (2016, February 22). Expanding business: Meet America. Retrieved September 28, 2016, from <http://www.recruiter.co.uk/news/2016/03/expanding-business-meet-america/>
- China Overview. (2015, March 25). Retrieved September 13, 2016, from <http://www.worldbank.org/en/country/China/overview>
- Clear, J. (2011, November 29). 5 Big-Business Growth Strategies Small Business Can Use. Retrieved September 29, 2016, from <https://www.Americanexpress.com/us/small-business/openforum/articles/5-big-business-growth-strategies-small-business-can-use/>
- Cost of Studying in China. (2016). Retrieved November 14, 2016, from <http://www.cucas.edu.cn/feature/index/2325/2325>

- Deming, D., Goldin, C., & Katz, L. (2013, March). For-Profit Colleges. Retrieved December 6, 2016, from http://scholar.harvard.edu/files/goldin/files/for-profit_colleges.pdf
- Enders, A., & Jelassi, T. (2000). The converging business models of internet and bricks-and-mortar retailers. *European Management Journal*, 18(5), 542-550. doi://dx.doi.org/10.1016/S0263-2373 (00)00043-8
- Gongloff, M. (2014, October 08). China's Economy Just Overtook The U.S. In One Key Measure. Retrieved December 13, 2016, from http://www.huffingtonpost.com/2014/10/08/china-gdp-tops-us_n_5951374.html
- Gorevaya, E., & Khayrullina, M. (2015). Evolution of business models: Past and present trends. *Procedia Economics and Finance*, 27, 344-350. doi://dx.doi.org/10.1016/S2212-5671 (15)01005-9
- How American Consumers Shop Now. (2014, September). *Consumer Reports*. Retrieved September 28, 2016, from <http://www.consumerreports.org/cro/magazine/2014/11/how-america-shops-now/index.htm>
- Ingram, D. (2016). The Evolution of Business Models. Retrieved September 29, 2016, from <http://smallbusiness.chron.com/evolution-business-models-77617.html>
- International Markets Bureau, Agriculture and Agri-Food Canada. (2010, April). *Province of Manitoba*. Retrieved September 8, 2016, from https://www.gov.mb.ca/agriculture/market-prices-and-statistics/trade-statistics/pubs/China_consumer_report_en.pdf
- La Roche, C. R., Flanigan, M. A., & Copeland, K., Jr. (2010, October). Student Housing: Trends, Preferences And Needs. Retrieved from <http://www.cluteinstitute.com/ojs/index.php/CIER/article/viewFile/238/228>

- Lǐ, P. (2016, August 23). Cáo lǐ fā kāi tuò gāo xiào shì chǎng tè sè xiǎo zhèn bàn wǒ chéng zhǎng. Retrieved from <http://ztbaojie.com/new/info/detail-d335735.htm>
- Liu, H., & Li, K. (2002). Strategic implications of emerging Chinese multinationals: The Haier case study. *European Management Journal*, 20(6), 699-706.
doi://dx.doi.org/10.1016/S0263-2373(02)00119-6
- Luo, Y., Cacchione, M., Junkunc, M., & Lu, S. C. (2011). Entrepreneurial pioneer of international venturing: The case of Huawei. *Organizational Dynamics*, 40(1), 67-74.
doi://dx.doi.org/10.1016/j.orgdyn.2010.10.010
- Non-Profit vs. For-Profit Colleges: What You Need to Know. (2016). Retrieved December 06, 2016, from <http://www.franklin.edu/blog/non-profit-vs-for-profit-colleges-what-you-need-to-know/>
- Palladino, V. (2016). Amazon Prime Now arrives online with one-hour delivery service. Retrieved September 29, 2016, from <http://arstechnica.com/information-technology/2016/05/amazon-prime-now-arrives-online-with-one-hour-delivery-service/>
- Palmer, K. (2010, September 22). 5 Traits of the New American Consumer. Retrieved September 28, 2016, from <http://money.usnews.com/money/personal-finance/articles/2010/09/22/5-traits-of-the-new-American-consumer>
- Pasquier, M. (2015, May 10). O2O: Why China leads the "Online to Offline" revolution - Innovation Is Everywhere. Retrieved August 29, 2016, from <http://www.innovationiseverywhere.com/o2o-why-china-leads-the-online-to-offline-revolution/>
- Peapod. (2016). Retrieved November 13, 2016, from <https://www.peapod.com/site/companyPages/our-company-overview.jsp>

- Rizzi, W. (2011, October 25). The Difference Between Chinese and American College Life. Retrieved September 19, 2016, from <https://mic.com/articles/2127/the-difference-between-Chinese-and-American-college-life#.ho2A491iA>
- Rosen, L., Carrier, L. M., Miller, A., Rokkum, J., & Ruiz, A. (2016). Sleeping with technology: Cognitive, affective, and technology usage predictors of sleep problems among college students. *Sleep Health*, 2(1), 49-56. doi:10.1016/j.sleh.2015.11.003
- Sigdyal, P., & Chemi, E. (2016, May 09). Chinese firms go on a buying spree for American companies. Retrieved September 29, 2016, from <http://www.cnbc.com/2016/05/09/Chinese-firms-go-on-a-buying-sprees-for-American-companies.html>
- Tax Exemption for Universities and Colleges. (2013, March). Retrieved from <http://www.aau.edu/workarea/downloadasset.aspx?id=14246>
- Wu, S., & Wu, L. (2008). The impact of higher education on entrepreneurial intentions of university students in China. *Journal of Small Business and Enterprise Development*, 15(4), 752-774.
- Sokol, A., Gozdek, A., & Figurska, I. (2015). The importance of teacher leadership in shaping the creative attitudes of students. *Procedia - Social and Behavioral Sciences*, 197, 1976-1982. doi://dx.doi.org/10.1016/j.sbspro.2015.07.569
- Standard, P. (2016). What Are College Entrepreneurship Programs Meant to Achieve? Retrieved September 28, 2016, from <https://psmag.com/what-are-college-entrepreneurship-programs-meant-to-achieve-18202e317ad5#.w1hzasnet>
- TaskRabbit, Inc: Private Company Information. (2016). Retrieved October 04, 2016, from <http://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=79090387>

Tse, E. (2016, April 5). The Rise of Entrepreneurship in China. Retrieved October 05, 2016, from <http://www.forbes.com/sites/tseedward/2016/04/05/the-rise-of-entrepreneurship-in-China/#29d276ff6d61>

Ultra-fast FREE Delivery. (2016). Retrieved October 04, 2016, from <https://primenow.amazon.com/onboard?sourceUrl=/>

United States Overview. (2013, June 4). Retrieved September 28, 2016, from <http://www.worldbank.org/en/country/unitedstates/overview>

Wang, S. (2013, September 26). College Life in China vs. America. Retrieved September 19, 2016, from <https://international.uiowa.edu/news/college-life-china-vs-america>

Xiào yuán o2o píng tái jué jīn lǎn rén jīng jì 59store zuò qǐ líng shí pèi sòng. (2015, September 11). Retrieved from <http://mt.sohu.com/20150911/n420952579.shtml>

Xiào yuán o2o mó shì duì bǐ: 59store hé zhái mǐ. (2015, May 21). Retrieved December 6, 2016, from http://www.hishop.com.cn/ecschoo/o2o/show_20685.html

59store xiào yuán shēng huó fú wù píng tái. (2016). Retrieved December 6, 2016, from www.59store.com

Appendix A: Sponsor Description

The 59store is a campus convenience store in China that uses the online to offline (o2o) business model. The company's main mission, aside from achieving financial stability and success for their business, includes easing the lives of college students by making printing, snack shopping, and financial services easily accessible for them. The 59store has facilities on nearly 2,500 campuses in about 203 cities across mainland China. Founded in 2011 by Zhou Kunpeng and Cao Lifa, the 59store offers a late night snacking and beverage delivery service, a printing service and a finance service. The 59store uses these shops in an effort to increase the convenience of services for college students and to promote entrepreneurial development for their student workers on university campuses across China (Li, 2016).

As of late 2016, the four services that the 59store provides receive an average of 300,000 daily orders. Of the 300,000 orders, many of the transactions derive from the stores' most popular shop, the late night snacking service. Used by over five million college students in China, this service allows customers to order products, usually snack foods, at least between the hours of 21:00 to 23:00. The delivery beverage service, which started in October of 2015 operates during the same time as the snacking service. The employees deliver the products to the customer in less than five minutes (Xiào yuán o2o píng tái, 2015).

The printing service is a much newer addition to the 59store, added in March of 2016. This service allows the customers to upload a document, which workers then print and deliver to the student's dormitory room. The 59store currently provides black and white printing, color printing, offset printing, and photo scanning. The finance service provides financial services for students (59store xiào yuan, 2016). With this option, the 59store allows students to take out loans up to 8,000¥ with no interest for 40 days. This aims to develop college students' credit.

One of the 59store's goals is to make campus living as painless and convenient as possible for the students. The store hires students as managers on campus to help employ students and teach them valuable entrepreneurial skills. The 59store requires the students to work a minimum of two hours. However, after that, the students choose their own working hours and the products they sell. In addition, about half of the students make between 1,000¥ and 2,000¥ a month (Xiào yuán o2o mó shì, 2015). The most important resource for the 59store are the university students because students make up both the customers and the employees.

Appendix B: The 59store Student Manager Interview Results

Hello, thank you for agreeing to interview with us. During this interview we hope to understand the daily routine as an employee of the 59store. We would like to remind you that your participation is voluntary and you may end your participation at any time.

When did you start working at the 59store?

Last year, October 2015.

What hours do you typically work?

8-10PM is mandatory hours. Other hours are optional.

Are you allowed to choose your own hours?

Answered in the previous question.

How do you get the products you sell?

I order them from the 59store manager app.

Where do you keep the food?

I store the food in my dorm room.

How do you decide what you sell?

I choose to sell popular snacks, such as lollipops, spicy food, instant noodles, hot dogs, and beverages.

How is your salary determined?

I buy an item using my own money. I sell the item for more between 80% and 100% of the price I bought it for. Once I sell the item, the 59store gives me 20% of the item's buy price.

Why did you stop working at the 59store?

I was too busy. The money I was spending did not always equate to the money I was making.

Appendix C: The 59store Regional Manager Interview Results

Hello, thank you for agreeing to interview with us. During this interview we hope to understand the steps that you took in order to establish the 59store in China, and what problems the 59store had to overcome. We would like to remind you that your participation is voluntary and you may end your participation at any time.

How do student employees use the 59store's app and websites?

Students buy and sell goods on the 59store's app and website

How do students make a profit from selling goods through the 59store?

The students make a percentage of the profits from items sold. When the students' sales add up to a fixed amount of money, they get a bonus.

Has the 59store used any other business model besides the o2o model?

The main purpose for the o2o model is convenience. Some locations are business to customer. This combines o2o with the brick and mortar store. They have one in Zhejiang Economic College. This service mainly targets students, but they will have different target customers like communities or office building; if this works, they will duplicate the business model in other locations.

How do the products go through the company?

1st: The 59store buys products from large vendors.

2nd: The large vendors send the product to the 59store's warehouse.

3rd: Students buy products from the warehouse.

4th: Then, student managers sell it to the customer.

Does the 59store produce their own products?

The 59store is not a place to produce so many products. It is a 3rd party that produces the products. In the future they are considering making their own products.

What are your employee recruitment tactics?

We recruit students through groups on WeChat, as well as through advertisements.

Appendix D: Interview of University Representatives Results

Hello, thank you for agreeing to interview with us. We are a student research group completing our Interactive Qualifying Project (IQP) at Worcester Polytechnic Institute (WPI). For our IQP, we are investigating the rise of online to offline (o2o) business models and the feasibility of business expansion from China to the United States. Because of this we would like to understand the procedures for conducting business on university campuses in the United States in order to compare it with how business is conducted on university campuses in China. We would also like to remind you that your participation is voluntary and you may end your participation at any time.

Representative 1 (Syracuse University conducted through email):

If we were a company looking to start a cooperative business with this university, how would we go about doing that?

We have a variety of avenues for external entities to do business with the University, depending upon the type of product or services being offered.

Is it possible to run a business on-campus that is independent of the school?

Yes it is possible.

Are there any kind of companies that simply are not allowed to operate on campus?

In terms of how we choose to limit these engagements, we are subject to laws and regulations that are local, state and federal in nature; we are subject to accreditation requirements under a variety of agencies, as well as our policies, which are all available on line.

Does the current food provider have a contract that would prevent other companies from selling food on campus?

The university does not outsource its food services.

Is it common for colleges to have pre-existing contracts that would interfere with the introduction of a new business on campus?

I cannot say if it is common for colleges, but some contracts do have exclusivity clauses in them.

Representative 2 (University of Massachusetts Amherst conducted through email):

If we were a company looking to start a cooperative business with this university, how would we go about doing that?

As a public agency, the University needs to comply with the state's public bidding regulations.

Is it possible to run a business on-campus that is independent of the school?

No.

Are there any kind of companies that simply are not allowed to operate on campus?

The only way a non-university business can operate on campus is through the public bidding or sole source process. If a company wins the bid, it must comply with terms and conditions included in the bid. The basic terms and conditions can be found in the University's standard contract: http://www.umass.edu/procurement/Fill-In_Forms/CFS%20long%20form.pdf but the bid may include additional requirements depending on the service being bid.

Does the current food provider have a contract that would prevent other companies from selling food on campus?

The University operates its own food services. Regardless, any service, including food, would have to be bid.

Is it common for colleges to have pre-existing contracts that would interfere with the introduction of a new business?

If the University has bid out a service and entered into a contract, it is likely that there are restrictions on similar types of products or services in the contract.

Representative 3 (WPI conducted on Skype):

If we were a company looking to start a cooperative business with this university, how would we go about doing that?

I think, initially, you would probably have to approach the university with the business plan. Do it with an understanding of what is in it for the university because the university is not going to go down a path that provides some benefit. This is not necessarily for the university, but it would have to benefit our students in some way. Therefore, the company would have to provide a clear goal to provide some benefit. A proposal for how to get the partnership off the ground, typically includes how much it is going to cost the university. The university wants to know what will be going on to go down the path of a new business venture. I guess at the end of the day, that would be a fleshed out business plan, that would be a good start.

Is it possible to run a business on-campus that is independent of the school?

I think it is. I think it is important to know that if it is a student or employee run business or like a startup, he or she has make sure that the company is not using any university resources to benefit the business. Like WPI, the vast majority of universities and colleges are non-profit entities; so, we cannot use our funds to benefit a for-profit entity.

Does that include space on campus like a room or a store or something?

Generally it does. So we have agreements with business like the bookstore and Chartwells¹. Chartwells' agreement is pretty complex. For example, the bookstore pays us to occupy the space that they are in.

Is this similar rental?

Right. Similar agreements are set up with researchers that want to start their own company. We want to encourage faculty and students to start their own company, if they come up with a new technology and want to market it. We want [students] to start [their] own companies and get that product information to market. But at the same time, if a company uses WPI facilities, the company must pay a fair rental value for the space and for any of the resources that they use.

¹Chartwells is the food provider for Worcester Polytechnic Institute.

Are there any kind of companies that simply are not allowed to operate on campus?

I am sure there are. I would say anything that is not aligned with the mission of the university we think twice about. But we need to provide services, we need to have a place where people can buy textbooks, and students desire Dunkin' Donuts in the morning.

Does the current food provider have a contract that would prevent other companies from selling food on campus?

That is exactly the type of agreement that we have with Chartwells. Chartwells is the only food provider on campus. It is not necessarily a roadblock, but it would be a bump on the road for a new company that wanted to come in, as we already have an exclusive agreement with Chartwells and the bookstore. For the bookstore it is really limited to textbooks, but that does not prevent students from going on eBay or Amazon to get a textbook. We have a second bookstore on campus also selling textbooks.

How does Dunkin Donuts fit into that though, because they also sell food but they're not operated by Chartwells, right?

They are under a licensing agreement with Chartwells. Dunkin Donuts came from Chartwells. So sometimes you will see different brands, like some of the restaurant brands that are in the food court. Those also come from Chartwells.

Is it common for colleges to have pre-existing contracts that would interfere with the introduction of a new business?

I do not know if it is common. I would be shocked if most other universities did not have a similar kind of relationship. Because Chartwells and some of the other food providers out there are so full-service, there is a bit of a symbiotic relationship between us and them because they are doing the dining hall work; they are doing the food court work, and they do all the catering on campus. I think it would be cumbersome for the university to be managing multiple vendors, or bringing in a random person here and there every once in a while. I do not know how cost effective that would be. My gut feeling, not seeing other universities' contracts, is that they have similar relationships across the board.

Do you also know about the rules and regulations regarding running a business out of a dorm room?

Essentially the way that is set up is that that student alone is benefiting from using the space that they are paying the university for at a pretty good cost. We are not trying to make money off of people that are living in the residence halls. We are just providing that as a service so that it is convenient for you to go to class every day. Not really a space to hold inventory and profit off of it. That would get us in trouble with the government or some other entities. That is why it is prohibited in the housing contract.

What is the involvement of the government in contract like this?

It is not heavily involved, and they do not monitor this kind of stuff. But, it is more tied to the tax regulations and it would jeopardize WPI's position as a charitable organization. So if we had a bunch of students running businesses out of the dorm, it allows the people in the residence halls to enrich only themselves. The government does not make sure that people are not running businesses out of their residence halls; they assume that we are not doing that. The risk that we run is we let it happen and somebody report it.

So if we had a place to store stock that was not a dorm room but the students were still running it from that stock room would that be the different?

I think if the stock room was located outside campus and you were not really running the business out of the residence hall this would be fine. For example, if you had a small stock room and that was the address of your business, then that would probably be fine.

Appendix E: Survey Results

Thank you for volunteering to take our survey! Your opinions are important to us and our project. The results gathered from this survey will help this IQP to understand the lifestyle and habits of students in the United States. This survey is both voluntary and anonymous. It should take about ten minutes to complete. The survey is multiple pages, so keep clicking the forward arrow at the bottom of each page and once you reach the end a page will appear that tells you that you have reached the end of the survey. Thank you for your help.

The response is equal to the number of participants who selected the respective answer. Each participant only chose one response unless the question indicates otherwise.

Do you live in university provided housing?

Answer	Response	%
Yes	75	55.15%
No	61	44.85
Total	138	100%

How many years have you been in college?

Answer	Response	%
1 year	29	21.32%
2 years	36	26.47%
3 years	51	37.50%
4 years	20	14.71%
5 years	0	0%
More than 5 years	0	0%
Total	136	100%

Do you have a school meal plan?

Answer	Response	%
Yes	71	52.21%
No	65	49.79%
Total	136	100%

Do you enjoy snacking outside of mealtimes?

Answer	Response	%
Yes	124	91.18%
No	12	8.82%
Total	136	100%

How long does it take you to walk to campus? (If responded “No” to “Do you live in university provided housing?”)

Answer	Response	%
1-5 min	13	21.31%
5-10 min	29	47.54%
10-15min	11	18.03%
15-20 min	2	3.28%
More than 20 min	6	9.84%
Total	61	100%

Do you feel like you always have enough time to shop for your snack and food? (If responded “No” to “Do you have a school meal plan?”)

Answer	Response	%
Yes	19	29.23%
No	46	70.77%
Total	65	100%

Do you feel like you always have enough time to shop for snacks you want? (If responded “Yes” to “Do you have a school meal plan?”)

Answer	Response	%
Yes	32	45.07%
No	39	54.93%
Total	71	100%

Do you believe you have convenient access to buying food between 11:00PM and 3:00AM?

Answer	Response	%
Yes	47	34.81%
No	88	65.19%
Total	135	100%

Are you interested in buying food late at night?

Answer	Response	%
Yes	95	70.37%
No	40	29.63%
Total	135	100%

During what hours would you be interested in buying food? Please select all hours that you are interested in. (Choosing more than one answer is acceptable) (If responded “Yes” to “Are you interested in buying food late at night?”)

Answer	Response	%
7:00 PM	60	63.16%
8:00 PM	64	67.37%
9:00 PM	69	72.63%
10:00 PM	80	84.21%
11:00 PM	86	90.53%
12:00 AM	83	87.37%
1:00 AM	66	69.47%
2:00 AM	37	38.95%
3:00 AM	24	25.26%
Later	20	21.05%
Total	589	

Do you have easy access to a working printer?

Answer	Response	%
Yes	95	69.85%
No	41	30.15%
Total	136	100%

Do you frequently need to use a printer?

Answer	Response	%
Yes	84	61.76%
No	52	38.24%
Total	136	100%

Do you have a job during school?

Answer	Response	%
Yes	57	41.91%
No	79	58.09%
Total	136	100%

Why do you not have a job while you are at school? (If participant responded “No” to “Do you have a job during school?”)

Answer	Response	%
Too Busy	39	50%
Don’t want one	9	11.54%
Don’t need one	19	24.36%
Couldn’t find one	9	11.54%
Other	2	2.56%
Total	78	100%

Is your job on your school campus? (If participant responded “Yes” to “Do you have a job during school?”)

Answer	Response	%
Yes	47	82.46%
No	10	17.54%
Total	57	100%

Would you prefer to have a job on your university campus? (If responded “No” to “Is your job on your school campus?”)

Answer	Response	%
Yes	4	40%
No	2	20%
Don't care	4	40%
Total	10	100%

Please indicate all of the services you would be interested in ordering. Please keep in mind that services would either be delivered or come to you. (Choosing more than one answer is acceptable)

Answer	Response	%
Hair cutter/stylist	38	36.19%
Eye glasses fitting/vision test	17	16.19%
Clothing tailor	16	15.24%
Maid service (ironing, laundry, cleaning, etc.)	34	32.38%
Clothing essentials (underwear, socks, etc.)	29	27.62%
Grocery shopping delivery	83	79.05%
Pet walker	3	2.86%
Nail salon services	10	9.52%
Other (Please specify)	4	3.81%
Total	234	

Appendix F: Focus Group Results

Sophia: Welcome everyone, thank you all for taking the time to join us today. We will be asking you questions about your snacking habits and entrepreneurial experiences. If you don't wish to answer a question, please feel free to skip it. Please remember your participation is voluntary and your responses will remain anonymous. In addition, you may end your participation at any time.

Questions:

How and where do you acquire your snacks in Worcester?

Walk to honey farms to get snacks.

Price chopper.

Stocking up way before the term starts Walmart or price chopper.

Bring some from your house.

What do you consider the most accessible or preferred mode of transportation in Worcester?

3 Walking.

1 Driving.

Do you have a job?

3 Yes.

1 No.

If you do not have a job, are you interested in being employed while on campus?

Yes very interested in having a job.

Money is needed to support.

If you do have a job, how flexible is your job?

3 Flexible.

1 8 hours a week.

2 On campus.

What leadership positions do you hold on campus?

Executive boards.

Sororities.

Leader in ballroom dance.

Vice president recording club.

Founding member of WPI launch pad.

Have you learned entrepreneurial skills from this position?

1 Taught how to be creative.

1 PR of ballroom team.

Design a team t-shirt.

Marketed to the team.

1 WPI Launchpad/ Musician.

Takes student projects and give students an entrepreneurial mindset.

Learned to work with other companies.

Learned how to brainstorm effectively.

Skill sets: promotion and collaboration.

Have to be able to sell yourself.

Do you take entrepreneurial skills into factor when you look for a job?

2 Yes.

2 No.

Where do you usually find yourself printing things?

No printer.

Print from job.

One has a room printer always maintain ink.

Apartment mate has a printer.

Frequency of printing

2 Frequently.

2 Not frequently.

Maybe 2 things.

Where do you print?

2 Library.

1 work.

2 bedroom.

Places beside the bedroom you print

2 Library.

2 Campus Center.

Any other comments or thoughts

1 interested in a 24 hour service.

Tends to print late at night.

2 interested in a snacking subscription service.

1 finds it inconvenient to walk to campus to print.

Appendix G: Characteristics of Universities in the United States

School	Size	Type	Off -campus population (%)	Greek Housing Cluster	Cluster Weight
Florida State University	Large	Public	81	Very Clustered	4
Texas A&M	Large	Public	77	Very Clustered	4
Clemson University	Large	Private	59	Very Clustered	4
Johns Hopkins University	Medium	Private	48	Not Clustered	1
University of Maryland Baltimore County	Medium	Public	65	Not Clustered	1
Lehigh University	Medium	Private	33	Very Clustered	4
Reed College	Small	Private	33	No Greek Life	-
Simpson College	Small	Private	14	Clustered	3
Allegheny College	Small	Private	8	In dorms	-
Kentucky State University	Small	Public	65	Not Clustered	1
Bradley University	Medium	Private	49	Clustered	3
Drexel University	Large	Private	74	Very Clustered	4
Castleton State College	Small	Public	45	Not Clustered	1
Cheyney University of Pennsylvania	Small	Public	34	Inconclusive	-
Dickinson State University	Small	Public	79	Clustered	3
Great Basin College	Small	Public	97	Not Clustered	1
Johnson State College	Small	Public	61	Not Clustered	1
Lincoln University (PA)	Small	Public	3	Inconclusive	-
Albion College	Small	Private	10	Very Clustered	4
Alfred University	Small	Private	24	No Greek Life	-
Daemon College	Small	Private	64	Not Clustered	1
Southwestern University	Small	Private	23	Somewhat Clustered	2
Arkansas State University	Medium	Public	70	Very Clustered	4
Bemidji State University	Medium	Public	72	Not Clustered	1
Central Connecticut State University	Medium	Public	76	Not Clustered	1

School	Size	Type	Off -campus population (%)	Greek Housing Cluster	Cluster Weight
Concord University (WV)	Medium	Public	63	Inconclusive	-
Florida Gulf Coast University	Medium	Public	64	Not Clustered	1
Lander University	Medium	Public	67	Inconclusive	-
Aurora University	Medium	Private	80	Not Clustered	1
Babson College	Medium	Private	22	In dormitories	-
Baylor University	Medium	Private	64	Not Clustered	1
Champlain College	Medium	Private	36	Not Clustered	1
Auburn University	Large	Public	79	Clustered	3
Ball State University	Large	Public	59	Very Clustered	4
Purdue University	Large	Public	62	Very Clustered	4
Queen's University	Large	Public	98	Inconclusive	-
University of North Texas	Large	Public	80	Very Clustered	4
Boston University	Large	Private	25	Somewhat Clustered	2
DePaul University	Large	Private	83	Not Clustered	1
New York University	Large	Private	56	Somewhat Clustered	2
Northeastern University	Large	Private	52	Not Clustered	1
University of Southern California	Large	Private	70	Very Clustered	4